

AMENDED IN SENATE JUNE 9, 2003

AMENDED IN ASSEMBLY APRIL 21, 2003

CALIFORNIA LEGISLATURE—2003–04 REGULAR SESSION

**ASSEMBLY BILL**

**No. 1402**

**Introduced by Assembly Member Wolk**

February 21, 2003

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An act to amend Section 11265.3 of the Welfare and Institutions Code, relating to CalWORKs.

LEGISLATIVE COUNSEL'S DIGEST

AB 1402, as amended, Wolk. CalWORKs program: eligibility.

Existing federal law provides for allocation of federal funds through the federal Temporary Assistance for Needy Families (TANF) block grant program to eligible states. Existing law provides for the California Work Opportunity and Responsibility to Kids (CalWORKs) program for the allocation of federal funds received through the TANF program, under which each county provides cash assistance and other benefits to qualified low-income families and individuals who meet specified eligibility criteria.

Existing law requires an annual redetermination of eligibility for benefits under the CalWORKs program, and, in addition to the requirement for the annual redetermination of eligibility, requires the State Department of Social Services to establish regulations consistent with federal law to implement a quarterly recipient reporting system for use in determining eligibility and the amount of the grant.

Existing law establishes procedures to determine the eligibility of a CalWORKs recipient when a change in the monthly income is reported.

This bill would revise these procedures. *It would authorize the department, until July 1, 2004, to implement these revised procedures through an all-county letter or similar instructions from the Director of Social Services, and to adopt regulations as otherwise necessary to implement these provisions by no later than July 1, 2004.* By requiring counties to revise the procedures for making that determination, this bill would create a state-mandated local program.

The bill would also require the department, ~~commencing April 15, 2004, to report to the relevant policy and budget committees of the Legislature by April 15 of each year on the cost, savings, impact upon overpayments, intentional program violations, fraud prosecutions, and the food stamp error rate in connection with specified information submitted in the required quarterly recipient report in consultation with the County Welfare Directors Association, to report to the relevant policy and fiscal committees of the Legislature in April 2005 regarding the effects upon program efficiency and integrity of implementation of certain revised reporting procedures, and to determine the data collection needs required to assess the effects of these procedures.~~

Existing law continuously appropriates moneys from the General Fund to defray a portion of county costs under the CalWORKs program.

This bill, instead, would provide that the continuous appropriation would not be made for purposes of funding the above revisions to eligibility procedures.

The California Constitution requires the state to reimburse local agencies and school districts for certain costs mandated by the state. Statutory provisions establish procedures for making that reimbursement, including the creation of a State Mandates Claims Fund to pay the costs of mandates that do not exceed \$1,000,000 statewide and other procedures for claims whose statewide costs exceed \$1,000,000.

This bill would provide that, if the Commission on State Mandates determines that the bill contains costs mandated by the state, reimbursement for those costs shall be made pursuant to these statutory provisions.

Vote: majority. Appropriation: no. Fiscal committee: yes. State-mandated local program: yes.

*The people of the State of California do enact as follows:*

SECTION 1. Section 11265.3 of the Welfare and Institutions Code is amended to read:

11265.3. (a) In addition to submitting the quarterly report form as required in Section 11265.1, during the quarterly reporting period, a recipient shall report the following changes to the county orally or in writing, within 10 days of the change:

(1) The receipt at any time during a quarterly reporting period of income, as provided by the department, in an amount that is likely to render the recipient ineligible, as provided by the department.

(2) The occurrence at any time during a quarterly reporting period of a drug felony conviction as specified in Section 11251.3.

(3) The occurrence, at any time during a quarterly reporting period, of an individual fleeing prosecution or custody or confinement, or violating a condition of probation or parole as specified in Section 11486.5.

(b) Counties shall inform each recipient of the duty to report under paragraph (1) of subdivision (a), the consequences of failing to report, and the amount of income likely to render the family ineligible for benefits no less frequently than once per quarter.

(c) When a recipient reports income pursuant to paragraph (1) of subdivision (a) the county shall redetermine eligibility and grant amounts as follows:

(1) If the recipient reports a change for the first or second month of a current quarterly reporting period, the county shall verify the report and determine if the recipient is financially ineligible. If the recipient is determined to be financially ineligible based on this income, the county shall discontinue the recipient after timely and adequate notice in accordance with rules applicable to the federal Food Stamp ~~Program~~ *program*.

(2) If the recipient reports a change for the third month of a current quarterly reporting period, the county shall not redetermine eligibility for the current quarterly reporting period, but shall redetermine eligibility and grant amount for the following quarterly reporting period as provided in Section 11265.2.

(d) (1) During the quarterly reporting period, a recipient may report to the county, orally or in writing, any changes in income

1 or household circumstances that may increase the recipient's  
2 grant.

3 (2) Counties shall act upon changes in income reported during  
4 the quarterly reporting period that result in an increase in benefits,  
5 after verification specified by the department is received.  
6 Reported changes in income that increase the grant shall be  
7 effective for the entire month in which the change is reported. If  
8 the reported change in income results in an increase in benefits, the  
9 county shall issue the increased benefit amount within 10 days of  
10 receiving required verification.

11 (3) (A) When a decrease in gross monthly income is  
12 voluntarily reported and verified, the county shall redetermine the  
13 grant for the current month and any remaining months in the  
14 quarterly reporting period by averaging the actual gross monthly  
15 income reported and verified from the voluntary report for the  
16 current month and the gross monthly income that is reasonably  
17 anticipated for any future month remaining in the quarterly  
18 reporting period.

19 (B) When the average is determined pursuant to subparagraph  
20 (A), and a grant amount is calculated based upon the averaged  
21 income, if the grant amount is higher than the grant currently in  
22 effect, the county shall revise the grant for the current month and  
23 any remaining months in the quarter to the higher amount and shall  
24 issue any increased benefit amount as provided in paragraph (2).

25 (4) Except as provided in subdivision (e), counties shall act  
26 only upon changes in household composition voluntarily reported  
27 by the recipients during the quarterly reporting period that result  
28 in an increase in benefits, after verification specified by the  
29 department is received. If the reported change in household  
30 composition is for the first or second month of the quarterly  
31 reporting period and results in an increase in benefits, the county  
32 shall redetermine the grant effective for the month following the  
33 month in which the change was reported. If the reported change in  
34 household composition is for the third month of a quarterly  
35 reporting period, the county shall not redetermine the grant for the  
36 current quarterly reporting period, but shall redetermine the grant  
37 for the following reporting period as provided in Section 11265.2.

38 (e) During the quarterly reporting period, a recipient may  
39 request that the county discontinue the recipient's entire assistance  
40 unit or any individual member of the assistance unit who is no



longer in the home or is an optional member of the assistance unit. If the recipient's request was verbal, the county shall provide a 10-day notice before discontinuing benefits. If the recipient's report was in writing, the county shall discontinue benefits effective the end of the month in which the request is made, and simultaneously issue a notice informing the recipient of the discontinuance.

~~(f) Commencing April 15, 2004, the department shall report to the relevant policy and budget committees of the Legislature by April 15 of each year on the cost, savings, impact upon overpayments, intentional program violations, fraud prosecutions, and the food stamp error rate in connection with the information submitted in the quarterly report required by paragraph (1) of subdivision (a).~~

*(f) The department, in consultation with the County Welfare Directors Association (CWDA), shall report to the relevant policy and fiscal committees of the Legislature in April 2005 regarding the effects upon program efficiency and integrity of implementation of the mid-quarter reporting requirement set forth in subdivision (a). The report shall be based on data collected by CWDA and select counties. The department, in consultation with CWDA, shall determine the data collection needs required to assess the effects of the specified mid-quarter report.*

SEC. 2. No appropriation pursuant to Section 15200 of the Welfare and Institutions Code shall be made for the purpose of funding the changes required by the amendments made to Section 11265.3 of the Welfare and Institutions Code by Section 1 of this act.

SEC. 3. *Notwithstanding Section 71 of Chapter 1022 of the Statutes of 2002, and the rulemaking provisions of the Administrative Procedure Act (Chapter 3.5 (commencing with Section 11340) of Part 1 of Division 3 of Title 2 of the Government Code), until July 1, 2004, the department may implement the changes to reporting procedures, as described in Section 11265.3 of the Welfare and Institutions Code, made by this act, through an all-county letter or similar instructions from the Director of Social Services, and may adopt regulations as otherwise necessary to implement those provisions by no later than July 1, 2004.*

SEC. 4. Notwithstanding Section 17610 of the Government Code, if the Commission on State Mandates determines that this

1 act contains costs mandated by the state, reimbursement to local  
2 agencies and school districts for those costs shall be made pursuant  
3 to Part 7 (commencing with Section 17500) of Division 4 of Title  
4 2 of the Government Code. If the statewide cost of the claim for  
5 reimbursement does not exceed one million dollars (\$1,000,000),  
6 reimbursement shall be made from the State Mandates Claims  
7 Fund.

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